

UNITED STATES BANKRUPTCY COURT  
DISTRICT OF NEW JERSEY

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**TRENK, DiPASQUALE,  
DELLA FERA & SODONO, P.C.**  
347 Mount Pleasant Avenue, Suite 300  
West Orange, NJ 07052  
(973) 243-8600  
Anthony Sodono, III  
*Counsel to Chapter 12 Debtor*

In re:

K.O. IS O.K., LLC, d/b/a the Farm in Closter,  
  
Debtor.

Case No. 10-25143 (RG)

Honorable Rosemary Gambardella

Chapter 12

Hearing Date: September 30, 2013

**CERTIFICATION OF KYOUNGHEE SOLLOD IN OPPOSITION TO  
MOTION OF SOVEREIGN BANK FOR AN ORDER (I) COMPELLING  
DEBTOR TO MAKE PAYMENTS UNDER TERMS OF CONFIRMED  
CHAPTER 12 PLAN OR, ALTERNATIVELY, (II) DISMISING  
BANKRUPTCY CASE**

I, Kyounghee Sollod, being of full age, certify as follows:

1. I am the Managing Member of K.O. Is O.K., LLC, Chapter 12 debtor in the captioned matter ("Debtor" or "KO").
2. I make this certification in opposition to the *Motion of Sovereign Bank for an Order (i) Compelling Debtor to Make Payments Under Terms of Confirmed Chapter 12 Plan or, Alternatively, (ii) Dismissing Bankruptcy Case* (Doc. No. 55).
3. One April 21, 2011, the Court entered an *Order Confirming Debtor's Chapter 12 Plan, as Amended*.
4. Unfortunately, Sovereign fails to inform this court of the many accounting gyrations it has produced to the Debtor over a period of time. Sovereign has constantly changed

amounts due, failed to post checks within five (5) days of receiving same, failed to separately list checks and instead listed amounts on bank statement that were inaccurate (checks were written for principle and interest combined but the bank statements impermissibly separated the amounts without any explanation) and generally failed to produce accurate accounting of all payments. Sovereign has never produced any accounting as to how payments were applied and how interest was calculated. Further, many payments were substantially post dated.

5. In addition, many checks forwarded to Sovereign were not cashed and were not returned. The Debtor sent a letter to Sovereign asking for an explanation regarding the checks not cashed. Thus, this failure to cash checks forwarded by the Debtor needs explanation.

6. For example, annexed as Exhibit "A" is a true copy of a Sovereign statement for two periods (the cover page of each statement is annexed), which reflects many payments with an "Effect Date" [sic] (date which check was sent to bank) but which was posted two years later, shown as the "Post Date" on the statement. Further, as per the same statement, there are numerous entries showing minus signs and positive entries again without any explanation. Further, although the statement shows a deposit check for \$2,020.54 on the "Effect Date" of 062411 (June 24, 2011) (posted May 13, 2013), the Debtor never wrote a check for that amount.

7. According to Sovereign's own statements as annexed, it is impossible for Sovereign to accurately calculate the amount due. Sovereign must explain in detail these accounting inaccuracies especially the two year late postings and how interest was calculated based upon such diligent postings.

8. Further, the debtor ceased operations in or about December 31, 2012, due to, among other things, the landlord's failure to negotiate a new lease. The Debtor's inventory was liquidated in the ordinary course of business and any remaining assets were sold or given away

due to their poor condition. The greenhouses were of no value and the 1946 tractor was not operating. The remaining assets were sold for approximately \$12,000. Those funds were utilized by KO to pay its creditors. The buyer for the remaining assets was The Barn in Closter (“Barn”) which is owned by me. The Barn opened about six months after KO shut down – about June 2013. The Barn is a store in a strip mall. It does not qualify for farm (or chapter 12) status. Unlike KO, it has no plants, shrubs, greenhouses, trees, outdoor furniture, gazebos, trellis or any other “outdoor” goods for sale. Due to the landlord not negotiating a new lease or a lease that was fair, KO has to close its business.

I hereby certify that the foregoing statements made by me are true. I am aware that if any of the foregoing statements is willfully false, I may be subject to punishment.

/s/ Kyounghee Sollod  
K YOUNGHEE SOLLOD

Dated: September 23, 2013

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# **EXHIBIT A**

Sovereign



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SOVEREIGN BANK, N.A.

SERV UNIT 08505

OFFICE 08505-11

CUSTOMER NUMBER

LOAN INTEREST AND PRINCIPAL BILL

DATE 06-18-13

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TRANSACTION DESCRIPTION	POST DATE	EFFECT DATE	NUMBER DAYS	OBLIGATION ACTIVITY	ACCRUAL RATE	RUNNING BALANCE	AMOUNT DUE
OBLIGATION NUMBER 000-00-0001-8							
PRINCIPAL 001***							
LAST BILLING DATE IS 05-19-13. LAST DUE DATE IS 05-30-13.							
STARTING BALANCE						51,063.12	
CURR PRIN PYMNT	052413	062411		2,020.54-		49,042.58	
CURR PRIN PYMNT	052413	062411		2,020.54-		47,022.04	
PRIN PYMNT RVSL	052313	062411		2,020.54		49,042.58	
CURR PRIN PYMNT	052313	121411		193.36-		48,849.22	
CURR PRIN PYMNT	052313	121411		2,084.58-		46,764.64	
CURR PRIN PYMNT	052913	121411		857.07-		45,907.57	
CURR PRIN PYMNT	052313	062212		3,135.00-		42,772.57	
CURR PRIN PYMNT	052313	121012		3,135.00-		39,637.57	
PAST DUE							39,637.57
CHARGES THIS PERIOD							.00
TOTAL DUE							39,637.57
LOAN INTEREST 100***IS ACCRUING ON CURRENT PRINCIPAL BALANCE.							
LAST BILLING DATE IS 05-19-13. LAST DUE DATE IS 05-30-13. LAST ACCRUAL DATE IS 05-30-13							
PAID YEAR TO DATE IS .00							
STARTING BALANCE						51,063.12	
CURR PRIN PYMNT	052413	062411		2,020.54-		49,042.58	
CURR PRIN PYMNT	052413	062411		2,020.54-		47,022.04	
PRIN PYMNT RVSL	052313	062411		2,020.54		49,042.58	
CURR INT PYMNT	052313	121411		857.07			
CURR PRIN PYMNT	052313	121411		193.36-		48,849.22	
CURR PRIN PYMNT	052313	121411		2,084.58-		46,764.64	
CURR PRIN PYMNT	052913	121411		857.07-		45,907.57	
INT PYMNT RVSL	052913	121411		857.07-			
CURR PRIN PYMNT	052313	062212		3,135.00-		42,772.57	
CURR PRIN PYMNT	052313	121012		3,135.00-		39,637.57	
SYSTEM ADJUSTMENT							741.31-
PAST DUE							60,738.37
CHARGES THIS PERIOD			000031		5.75000		193.57
TOTAL DUE							60,190.63

QUESTIONS? PLEASE CALL LOAN OPS AT 1-800-719-6833 OR YOUR LOAN OFFICER.

SOVEREIGN BANK

SERV UNIT 08505

OFFICE 08505-11

LOAN INTEREST AND PRINCIPAL BILL

CUSTOMER NUMBER 00-5139755-7 00018

TO AVOID ADDITIONAL CHARGES  
PAYMENT MUST BE MADE BY  
DUE DATE 06-30-13

PLEASE FORWARD PAYMENT TO:

Sovereign Bank  
P O BOX 12707  
READING, PA 19612-0207

000001-0002 130619

KO IS OK LLC  
DBA THE FARM IN CLOSTER  
515 PIERMONT RD  
CLOSTER NJ 07624-2824

PRINCIPAL DUE	39,637.57
INTEREST/FEE DUE	60,190.63
LATE CHARGES DUE	11,305.82

TOTAL AMOUNT DUE 111,134.02

431005005139755705139755700018000000011113402

EXHIBIT "A"

# Sovereign



SOVEREIGN BANK, N.A.

SERV UNIT 08505

OFFICE 08505-11

CUSTOMER NUMBER

LOAN INTEREST AND PRINCIPAL BILL

DATE 04-18-13

PAGE 1

TRANSACTION DESCRIPTION	POST DATE	EFFECT DATE	NUMBER DAYS	OBLIGATION ACTIVITY	ACCRUAL RATE	RUNNING BALANCE	AMOUNT DUE
OBLIGATION NUMBER 000-00-0001-8							
PRINCIPAL 001***							
LAST BILLING DATE IS 03-18-13. LAST DUE DATE IS 03-30-13.						46,958.00	
STARTING BALANCE						48,978.54	
PRIN PYMNT RVSL	032813	062411		2,020.54		51,063.12	
PRIN PYMNT RVSL	032813	121411		2,084.58			51,063.12
PAST DUE							
CHARGES THIS PERIOD							
						TOTAL DUE	51,063.12
LOAN INTEREST 100*** IS ACCRUING ON CURRENT PRINCIPAL BALANCE.							
LAST BILLING DATE IS 03-18-13. LAST DUE DATE IS 03-30-13. LAST ACCRUAL DATE IS 03-30-13							
PAID YEAR TO DATE IS				.00		46,958.00	
STARTING BALANCE						48,978.54	
PRIN PYMNT RVSL	032813	062411		2,020.54		51,063.12	
PRIN PYMNT RVSL	032813	121411		2,084.58			
SYSTEM ADJUSTMENT				PRIOR PERIOD PRINCIPAL ACTIVITY			360.30
PAST DUE							59,887.37
CHARGES THIS PERIOD			000031		5.75000		249.37
						TOTAL DUE	60,497.04
LATE CHARGE 918***							
LAST BILLING DATE IS 03-18-13. LAST DUE DATE IS 03-30-13.							
PAID YEAR TO DATE IS				.00			
PAST DUE							11,252.19
CHARGES THIS PERIOD							11.09
						TOTAL DUE	11,263.28
						OBLIGATION TOTAL DUE	122,823.44

QUESTIONS? PLEASE CALL LOAN OPS AT 1-800-719-6833 OR YOUR LOAN OFFICER.

PLEASE DETACH AND RETURN THIS PORTION OF BILL WITH PAYMENT

SOVEREIGN BANK

SERV UNIT 08505

OFFICE 08505-11

CUSTOMER NUMBER 00-5139755-7 00018

LOAN INTEREST AND PRINCIPAL BILL

TO AVOID ADDITIONAL CHARGES

PAYMENT MUST BE MADE BY

DUE DATE 04-30-13

PLEASE FORWARD PAYMENT TO:

Sovereign Bank

P O BOX 12707

READING, PA 19612-0207

000080-0001 130419

KO IS OK LLC

DBA THE FARM IN CLOSTER

515 PIERMONT RD

CLOSTER NJ 07624-2824

PRINCIPAL DUE

INTEREST/FEE DUE

LATE CHARGES DUE

51,063.12

60,497.04

11,263.28

TOTAL AMOUNT DUE

122,823.44

431005005139755705139755700018000000012282344